



May 13, 2016

For Immediate Release

Ryosan Company, Limited

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Notification of Partial Amendments of Articles of Incorporation

Ryosan Company, limited (hereinafter, “the Company”) hereby announces the following resolution made in the Board of Directors held on 13 May, 2016, in which resolve the submission of the proposal “Partial Amendments of Articles of Incorporation” to be resolved in the 60th Ordinary General Shareholders Meeting scheduled to be held on 23 June, 2016;

1. Background of Amendment of Articles of Incorporation

The Company Group is in the pursuit of “Shift of Business Model” in response to changing business structure and sustainable "Independent Growth", by identifying "Shift" and "Growth" as basic stance in its 9th Medium Term Management Plan covering FY2014 through 2017.

In order to fulfill such basic stance, the Company is promoting “Rebuilding the Growth Strategy” and “Enhancement of Capital Efficiency”

The amendment of Articles of Incorporation is proposed to achieve the further development of such Medium Term Management Plan as follows:

(1) As response to the diversification of business of the Company Group, the addition of business objectives is made and title of business is changed in part in Article 2 (Purpose).

(2) As disclosed separately in the notice dated 26th February titled “Transition to a Company with an Audit and Supervisory Committee and Introduction of Executive Officer System”, the Company is to transfer to a Company with an Audit and Supervisory Committee and to introduce the Executive Officer System contingent upon the approval in the 60th Ordinary General Shareholders Meeting scheduled to be held on 23 June, 2016;

In line with the afore-mentioned, applicable requirements such as the newly establishment of the article concerning director constituting Audit and Supervisory Committee and Audit and Supervisory Committee, deletion of the Article concerning Auditor and Board of Auditors and the newly establishment of the Article concerning Executive Officer is made accordingly

2. The Contents of Amendment

The amendment is shown in the exhibit attached.

3. Schedule (planned)

Ordinary General Shareholders Meeting for Amendment: 23 June, 2016

Effective Date of Amendment: 23 June, 2016

(Exhibit)

(The underlined denotes the area changed)

Existing Article	Proposed amendment
<p>Chapter 1 General Principle</p> <p>Article 1 (omitted)</p> <p>Article 2 (Purpose) The Company set up the following business objectives. (1)-(3) (omitted) (Transfer from Existing (11)) (newly established) (newly established) (newly established) (newly established) (4)-(10) (omitted) (11) <u>Transportation Business</u> (12) (omitted)</p> <p>Article 3 (omitted)</p> <p>Article 4 (Organization) The Company set up the following institution in addition to Shareholders Meeting and Directors (1) Board of Directors (2) <u>Auditor</u> (3) <u>Board of Auditors</u> (4) Accounting Auditor</p> <p>Article 5 (omitted)</p>	<p>Chapter 1 General Principle</p> <p>Article 1 (unchanged)</p> <p>Article 2 (Purpose) The Company set up the following business objectives. (1)-(3) (unchanged) (4) <u>Consigned Freight Forwarding Business</u> (5) <u>Warehousing Business and Warehouse Management Business</u> (6) <u>Trading of Used Goods (Secondhand Articles Dealer pursuant to the Secondhand Articles Dealer Act)</u> (7) <u>Worker Dispatching Business</u> (8) <u>Consulting Business relates to Previous (1)-(7)</u> (9)-(15) (unchanged) (transferred to (4) of Proposed Amendment) (16) (unchanged)</p> <p>Article 3 (unchanged)</p> <p>Article 4 (Organization) The Company set up the following institution in addition to Shareholders Meeting and Directors (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (deleted) (3) Accounting Auditor</p> <p>Article 5 (unchanged)</p>
<p>Chapter 2 Share</p> <p>Article 6 – Article 11 (omitted)</p>	<p>Chapter 2 Share</p> <p>Article 6 - Article 11 (unchanged)</p>

<p style="text-align: center;">Chapter 3 Shareholders Meeting</p> <p>Article12-Article14 (omitted)</p> <p>Article 15 (Convener and Chairman) Shareholders Meeting shall be convened by <u>Chairman</u> and such <u>Chairman</u> chair the meeting.</p> <p>2. <u>The President, in the absence of Chairman or in the case where the Chairman is involved with the accident or other Director pursuant to the order prescribed through Board of Directors in case of the involvement of the President with the accident, convene the Shareholders Meeting and chair such meeting.</u></p> <p>Article16 - Article 18 (omitted)</p>	<p style="text-align: center;">Chapter 3 Shareholders Meeting</p> <p>Article12-Article14 (unchanged)</p> <p>Article 15 (Convener and Chairman) Shareholders Meeting shall be convened by <u>the Representative Director</u> and such <u>Representative Director</u> chair the meeting. <u>In case where multiple representative directors exist, the Representative Director with priority in accordance with the order pursuant to the decision by Board of Directors chairs the meeting.</u></p> <p>2. <u>In case of the involvement of all Representative Directors with the accident, other Director pursuant to the order prescribed through Board of Directors convenes the Shareholders Meeting and chairs such meeting.</u></p> <p>Article16 - Article 18 (unchanged)</p>
<p style="text-align: center;">Chapter 4 Director <u>and</u> Board of Directors</p> <p>Article 19 (Number of Directors) The number of the Directors of the Company is within <u>20</u>. (newly established)</p> <p>Article 20 (Election of Directors) Directors are to be elected at Shareholders Meeting.</p>	<p style="text-align: center;">Chapter 4 Director, <u>Board of Directors and Executive Officer</u></p> <p>Article 19 (Number of Directors) The number of Directors of the Company (<u>except the Director of Audit and Supervisory Committee Member</u>) is within <u>7</u>. 2. <u>The number of Director of Audit and Supervisory Committee Member of the Company is within 7.</u></p> <p>Article 20 (Election of Directors) Directors are to be elected at Shareholders Meeting. <u>Director who is Audit and Supervisory Committee Member is to be elected in distinction</u></p>

<p>2. (omitted)</p> <p>3. (omitted)</p> <p>Article 21. (Term of Office of Directors)</p> <p>The term of office of each Director expires at the conclusion of the last Ordinary General Shareholders Meeting held for the business year which ends within one year from its election.</p> <p style="text-align: center;">(newly established)</p> <p>Article 22 (Representative Director <u>and Executive Director</u>)</p> <p>(omitted)</p> <p><u>2. The Company is to elect one President from and among the Directors by the resolution of the Board of Directors and also designate one Chairman, or several number of Senior Managing Director, Managing Director and Consulting and Advisory Director as necessity arises.</u></p> <p>Article 23 (Notice of Convocation of Board of Directors)</p> <p>The notice of Board of Directors shall be dispatched to each Director <u>and Auditor</u> within 3 days prior to the date of applicable meeting. In case of emergency, such period may be shortened.</p> <p>Article 24 (omitted)</p> <p style="text-align: center;">(Newly Established)</p>	<p><u>from other Directors.</u></p> <p>2. (unchanged)</p> <p>3. (unchanged)</p> <p>Article 21. (Term of Office of Directors)</p> <p>The term of office of each Director <u>(except the Director of Audit and Supervisory Committee Member)</u> expires at the conclusion of the last Ordinary General Shareholders Meeting held for the business year which ends within one year from its election.</p> <p><u>2. The term of office of Directors of Audit and Supervisory Committee Member expires at the conclusion of the last Ordinary General Shareholders Meeting held for the business year which ends within two years from its election.</u></p> <p>Article 22 (Representative Director)</p> <p>(unchanged)</p> <p style="text-align: center;">(deleted)</p> <p>Article 23 (Notice of Convocation of Board of Directors)</p> <p>The notice of Board of Directors shall be dispatched to each Director within 3 days prior to the date of applicable meeting. In case of emergency, such period may be shortened.</p> <p>Article 24 (unchanged)</p> <p><u>Article 25 (Delegation of Power to Make Decision</u></p>
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<p>Article <u>25</u> (omitted)</p> <p>Article <u>26</u> (Remuneration for Directors) The remuneration, bonus and other financial benefit of Directors given by the Company in consideration of the execution of duty (hereinafter, “Remuneration, Etc”) shall be determined by the resolution of Shareholders Meeting.</p> <p>Article <u>27</u> (omitted)</p> <p>(newly established)</p>	<p><u>on Execution of Important Matters)</u> <u>The Company may, pursuant to Article 399-13, Paragraph 6 of the Companies Act, delegate all or part of the power to make decision on the execution of important matters (excluding the matters listed in each item of Paragraph 5 of such Article) to Directors by the resolution of the Board of Directors.</u></p> <p>Article <u>26</u> (unchanged)</p> <p>Article <u>27</u> (Remuneration for Directors) The remuneration, bonus and other financial benefit of Directors given by the Company in consideration of the execution of duty (hereinafter, “Remuneration, Etc”) shall be determined by the resolution of Shareholders Meeting. <u>Remuneration Etc of Directors of Audit and Supervisory Committee Member is decided by the resolution of Shareholders Meeting in distinction from other Directors.</u></p> <p>Article <u>28</u> (unchanged)</p> <p><u>Article 29 (Executive Officer)</u> <u>The Board of Directors may, by its resolution designate Executive Officer and delegate the execution of Company’s undertaking.</u> <u>2. The Board of Directors shall, by its resolution, designate one President out of Representative Director.</u> <u>3. The Board of Directors may, by its resolution, designate one Executive Chairman, several number of each of Senior Managing Executive Officer, Managing Executive Officer and Senior Executive Officer out of Executive Officer.</u> <u>4. Matters relates to Executive Officer is to be governed in accordance with this Articles of</u></p>
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<p><u>by Audit Committee, in addition to applicable provision of laws and this Articles of Incorporation.</u></p>	
<p><u>Article 34 (Remuneration)</u> <u>Remuneration of Auditor is determined by the resolution of Ordinary General Shareholders Meeting.</u></p>	<p>(deleted)</p>
<p><u>Article 35 (Exemption of (Liability of Auditor)</u> <u>The Company may exempt Auditor (including former Auditor) from the liability arising from its negligence, pursuant to Article 426, Paragraph 1, by the resolution of Board of Directors within the extent prescribed by law and regulation.</u> <u>2. The Company, pursuant to Article 427, Paragraph 1, may execute the agreement with its Auditors, which limit the liability of Auditor arising from its negligence.</u></p>	<p>(deleted)</p>
<p>(newly established)</p>	<p><u>Chapter 5 Audit and Supervisory Committee</u></p>
<p>(newly Established)</p>	<p><u>Article 30 (Notice of Convocation of Audit and Supervisory Committee)</u></p>
<p>(newly Established)</p>	<p><u>The notice of convocation of Audit and Supervisory Committee is to be dispatched to each Audit and Supervisory Committee Member three days prior to applicable meeting. Upon the emergency, such three days period may be shortened.</u></p>
<p>(newly Established)</p>	<p><u>Article 31 (Rules of Audit and Supervisory Committee)</u> <u>The matters relate to Audit and Supervisory Committee is governed by the Rules of Audit and Supervisory Committee adopted by Audit and Supervisory Committee, in addition to the provision of law and regulation and this Articles of Incorporation.</u></p>

<p style="text-align: center;">Chapter 6 Calculation</p> <p>Article <u>36</u>-Article <u>39</u> (omitted)</p> <p style="text-align: center;">(newly established)</p>	<p style="text-align: center;">Chapter 6 Calculation</p> <p>Article <u>32</u>-Article <u>35</u> (unchanged)</p> <p><u>Additional Rule</u> <u>(Transitional Treatment regarding the Exemption of the Liability of Auditor)</u> <u>The Company, pursuant to the Article 426. Paragraph 1 of Companies Act, may exempt the liability of Auditor (including former Auditor) arising from its negligence before the 60th Ordinary General Shareholders Meeting by the resolution of the Board of Directors up to the extent prescribed by law and regulation.</u></p>
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